Government of Saskatchewan

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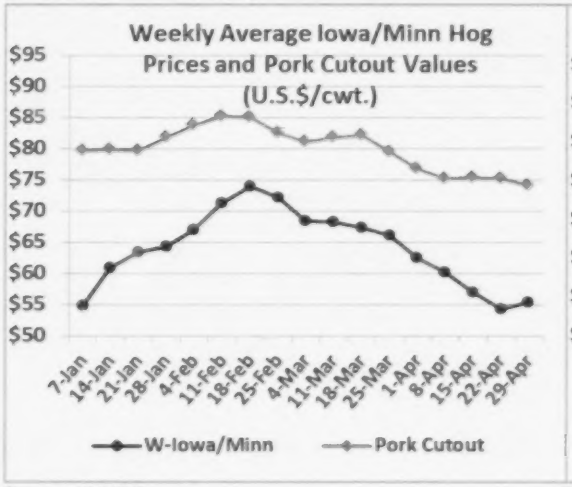
Weekly Hog Report

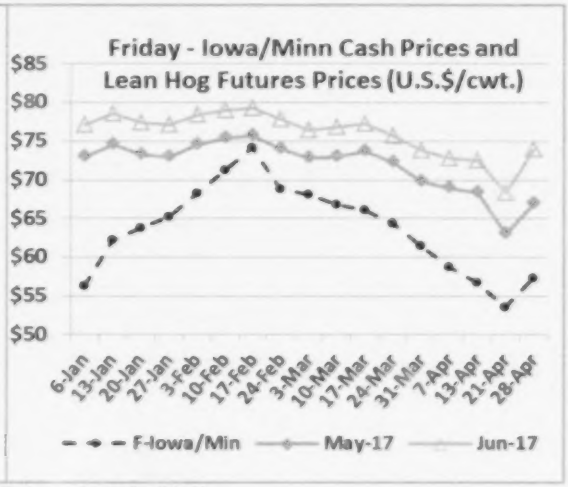
May 1, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) finally moved higher last week. Hog prices on Friday April 28 averaged US$57.23 per cwt, up US$3.67 per cwt or 6.8 per cent from US$53.56 per cwt the previous Friday. The negotiated weekly base price last week averaged US$55.27 per cwt, up US$1.03 per cwt or 1.9 per cent from US$54.24 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

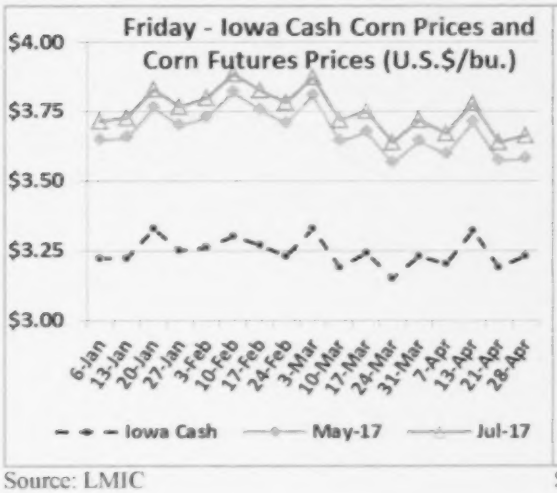
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday April 28, 2017 was $144.53 per ckg, up $2.54 per ckg or 1.8 per cent from $141.99 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $142.41 per ckg, down $0.95 per ckg or 0.7 per cent from the previous weeks' average price of $143.36 per ckg. The Canadian dollar continued lower on trade uncertainty between Canada and the United States to settle last Friday at 73.26 cents, down 0.79 cents from 74.05 cents the previous Friday.

Futures Markets

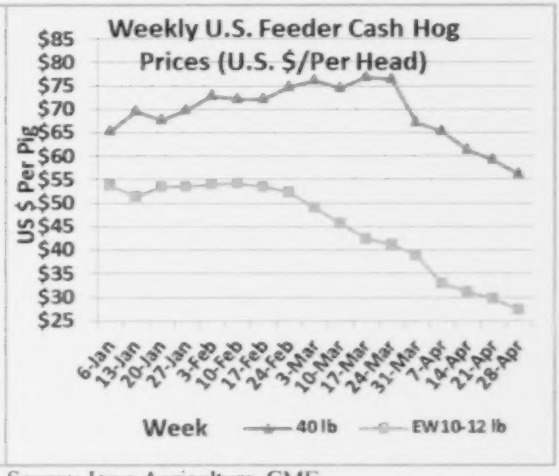
United States lean hog futures daily prices were mixed last week with good gains Tuesday and Thursday to help futures prices finally move higher, week-over-week. The nearby May lean hog futures contract increased US$3.950 per cwt last week to settle Friday at US$66.975 per cwt; while the June lean hog futures contract increased US$5.680 per cwt to settle last Friday at US$74.000 per cwt. The start of barbecue season and lower pork in cold storage likely helped prices to rebound last week.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were again lower last week. Weighted average cash prices for iso-weans (12lb) last week were US$27.38 per head, down US$2.23 per head or 7.5 per cent from US$29.61 per head the previous week. Feeders (40lb) averaged US$55.96 per head, down US$3.12 per head or 5.3 per cent from US$59.08 per head, the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US$3.23 per bushel, up four cents from US$3.19 per bushel the previous Friday. Corn futures edged higher, week-over-week. The May corn contract increased one cent to settle last Friday at US$3.58 per bushel; while the July contract increased almost three cents to settle last Friday at US$3.66 ½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending April 29 were estimated at 2.290 million head, up slightly from 2.287 million head the previous week, and up 7.2 per cent from 2.136 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.281 million head, up 4.6 per cent from 2.181 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending April 22, 2017 were estimated at 399,917 head, up 4.9 per cent from 381,308 head the previous week, but down 0.5 per cent from 401,923 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 411,652 head, up 1.1 per cent from 407,235 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 6,768,854 head, up 1.3 per cent from the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers for the four weeks ending April 22, 2017 averaged 168,998 head, down 0.6 per cent from 170,003 head over the same period a year ago. Year-to-date, Western Canadian hog slaughter numbers totaled 2,776,226 head in 2017, up 2.1 per cent from the same period a year ago.

Meat Production

U.S. pork production for the week ending April 29, 2017 was estimated at 487.4 million lb., up slightly from 486.5 million lb. the previous week, and up 6.9 per cent from 455.8 million lb. the same week a year ago. Pork production over the last four week's ending April 29 was estimated to average 485.4 million lb., up 4.2 per cent from 465.8 million lb. over the same four week period a year ago.

U.S. beef production for the week ending April 29 was estimated at 501.2 million lb., up 4.4 per cent from 480.1 million lb. the previous week, and up 4.4 per cent from 479.9 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending April 22, 2017, was estimated to average 2.068 billion lb., up 1.4 per cent from 2.040 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.0 per cent compared to the same period in 2016.

United States Weekly Meat Production

(April 22) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	468.5	488.2	4.2%	2.8%
Beef	453.7	475.0	4.7%	5.1%
Chicken	984.9	976.3	-0.9%	0.3%
Turkey	133.2	128.5	-3.5%	1.0%
Total	**2,040.2**	**2,068.0**	**1.36%**	**2.00%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending April 29, 2017 averaged US$73.98 per cwt, down US$1.08 per cwt or 1.4 per cent from US$75.06 per cwt the previous week, and down 9.5 per cent from US$81.79 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending April 29, 2017 averaged US$219.56 per cwt, up US$3.93 per cwt or 1.8 per cent from US$215.63 per cwt the previous week, and up 1.9 per cent from US$215.51 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending April 29, 2017 averaged US$134.14 per cwt, up US$6.42 per cwt or 5.0 per cent from US$127.72 per cwt the previous week, and up 13.7 per cent from US$118.02 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on April 24, 2017. The United States' pork stocks in cold storage totaled 555.1 million lb. on March 31, 2017, down 9.6 per cent from 613.8 million lb. on March 31, 2016, and down 3.0 per cent from 572.0 million lb. on February 28, 2017. U.S. pork stocks in cold storage for March 2017 were below the 12-year average and 2016 highs for March.

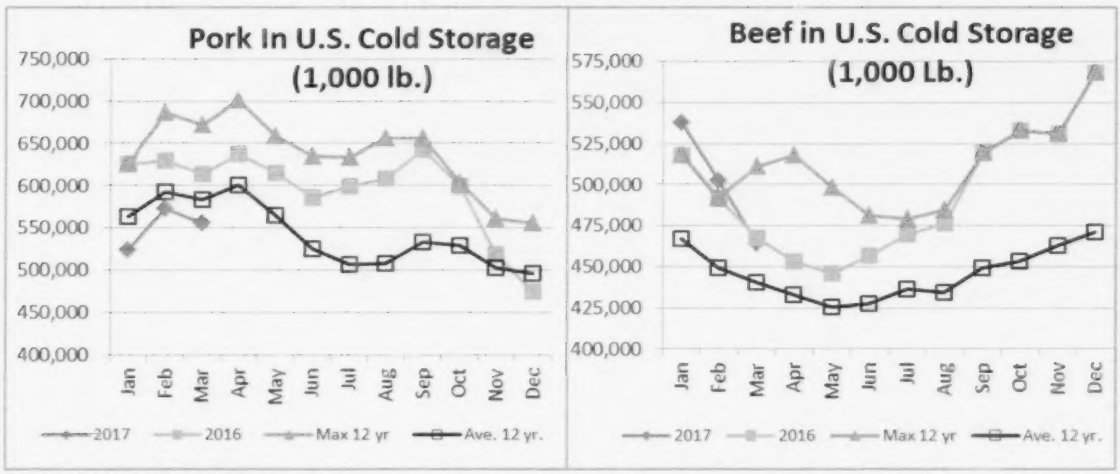
United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**31-Mar-2016**	**28-Feb-2017**	**31-Mar-2017**
Pork	613,803	571,961	555,052
Beef	481,761	502,443	464,469
Chicken	792,874	786,889	765,337
Turkey	368,073	378,413	428,790
Total Combined	**2,256,511**	**2,239,706**	**2,213,648**

Source: NASS

The U.S. beef stocks in cold storage totaled 464.5 million lb. on March 31, 2017, down 3.6 per cent from 481.8 million lb. on March 31, 2016, and down 7.6 per cent from 502.4 million lb. on February 28, 2017. Beef stocks in cold storage for March 31, 2017 were above the 12-year average, but below the 12-year highs.

Total pork, beef, chicken and turkey in cold storage on March 31, 2017 was at 2.214 billion lb., down 1.9 per cent from March 2016, and down 1.2 per cent from February 28, 2017. U.S. meat in cold storage for March 31, 2017 was above the 12-year average but below previous highs and the 12-year record highs established in September 2016.



Source: USDA Cold Storage

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